THE HON'BLE SRI JUSTICE L. NARASIMHA REDDY

W.P.No.6358 of 2002

Dated:04.07.2007

Between:
Avadutha Ramulu.

..Petitioner.

and

The Branch Manager, Bank of Baroda, Zaffargadh Branch,
Warangal District and another.

..Respondents.

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ORDER:

The petitioner challenged the action of the respondents in not releasing the loan sanctioned to him under Swarnajayanti Gram Swarajogar Yojana (SGSY) Scheme. He contends that the scheme was evolved by the Union of India ,with the participation of the Government of Andhra Pradesh, and in a Gram Sabha held for the village, his name was sponsored for availing the loan to establish a flour/chilly mill, with an outlay of Rs.85,000/-. It is stated that the 1st respondent issued proceedings, dated 18.07.1994, agreeing in principle, to release the loan, and that the 2nd respondent had released the margin money of Rs.7,500/-. It is pleaded that though the petitioner was found to be eligible and necessary conditions are complied with, the loan was not released to him resulting in much hardship.

On behalf of the first respondent, a counter-affidavit is filed. The factum of sanction of loan in favour of the petitioner is admitted. However, it is stated that the loan amount could not be released to the petitioner on account of the fact that he committed default in payment of crop loan sanctioned to him on an earlier

occasion.

Heard the learned counsel for the petitioner and the learned Standing Counsel for the 1st respondent.

It is true that the petitioner has been sanctioned loan of Rs.85,000/- under SGSY Scheme, and the 2nd respondent has released the margin money also.

The 1st respondent is a Nationalized Bank. Whenever it sanctions any loan, it is natural and common that verification is made as to whether the loanee defaulted in any earlier transaction. It is, in this context, that the verification vis-à-vis petitioner revealed that he was sanctioned a crop loan of Rs.8,000/- on 16.09.1999, and that neither the principal nor interest was paid. Once it has emerged that the petitioner became a defaulter, the 1st respondent was justified in not releasing the duly sanctioned loan. At any rate, several years have elapsed, and the scheme itself has been discontinued. At this length of time, no relief can be granted to the petitioner.

The Writ Petition is accordingly dismissed. There shall be no order as to costs.

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L. NARASIMHA REDDY, J

Dated:04.07.2007

sj